

TO: Budget & Finance Committee  
FROM: Troy Niemeyer, Finance Director  
DATE: February 15, 2022  
SUBJECT: Interfund Loan and Call of 2011 GO Bond

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1) Recommended Action:

Staff request and recommend the Budget & Finance Committee forward this item to City Council for consideration.

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2) Background:

The City has outstanding bonds that were used for the initial purchase of the golf course and subsequent improvements. Those bonds were last refinanced in 2011 and are now eligible to be called, which means we could pay it off early. Golf does not have excess cash, so it would need an interfund loan to accomplish this. By doing an interfund loan for the remaining amount and paying interest to the utilities for the loan, this would save the Golf Course approximately \$42,000 over the next three years. The utilities have sufficient funds to make this loan. The City would pay a market interest rate which is lower than the current fixed rate that accompanies the bonds.

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3) Policy Support:

Maximize the Golf Course's financial condition and benefits to the community, including the expanded use by non-golf activities.

Be fiscally responsible and develop sustainable financial strategies.

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4) Alternatives:

☐ Do not approve this topic to go forward to the full Council.

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5) Fiscal Notes:

The balance of the Golf bond is approximately \$1.2 million. The City would save about \$42,000 over the next three years with the refinance based on current rates.

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6) Attachments:

None.